



**APPLIED
TECHNOLOGY
INCORPORATED**

930 Industrial Avenue
Palo Alto, California
DAvenport 1-5135

Cable Address: APTEC • TWX: FDV

USAF Declass/Release Instructions On File

October 4, 1963

Col. H. A. Templeton
Headquarters, ASD
Attention: ASC-5
Wright-Patterson Air Force Base, Ohio

Dear Col. Templeton:

Our auditors, Ernst and Ernst, 1212 Bank of America Building, San Jose, California, are making an examination of our financial statements as of June 30, 1963 and wish to obtain direct confirmation of various data relative to classified contracts being performed by Applied Technology, Inc., as indicated below.

Contract AF 33(657)8581

Contract amount (including change orders)	\$463,939.98
Type of contract	Firm fixed price
Total payments through October 1, 1963 (including \$70,215.46 from 6/30/63 to 10/1/63)	\$329,587.88
Terms specifying penalties, warranties or renegotiation	None

Other Contracts

Other contracts in effect as of June 30, 1963 with the same governmental unit were as follows:

<u>Contract Number</u>	<u>Type</u>	<u>Amount</u>
AF 33(657)8583	Time and Materials	\$ 42,000.00
AF 33(657)8584	Call Type	\$ 59,750.00

Please compare this information with your records, note any exceptions in the space provided below, sign and return to Ernst and Ernst in the enclosed envelope.

Very truly yours,

APPLIED TECHNOLOGY, INC.

V. Barker
Treasurer

The above information is correct (note exceptions, if any).

Signature
Contracting Officer

Date _____

Securities and Exchange Commission
Washington 25, D. C.

Gentlemen:

This is to certify that Applied Technology, Inc., 930 Industrial Avenue, Palo Alto, California was awarded a prime United States Government contract on 14 December 1962, in the amount of \$415,916.00. Amendments to this contract calling for additional delivered items were made on 5 April 1963, 22 May 1963, and 28 June 1963, increasing the total contract price to \$463,939.98. The contract is of the firm fixed price type, providing for payment of negotiated unit prices upon delivery and acceptance of each item.

As of 1 October 1963 shipments had been made and payment made which accounted for \$329,587.88. As of the same date shipment had been made of additional units accounting for \$54,000, for which payment had not yet been made.

The balance of the contract amount, \$79,552.00, represents work currently in process. It is estimated that all deliveries required under this contract will be made prior to 30 November 1963, and that all payments will be made to the contractor on or before 31 December 1963.

This contract is classified, and disclosure of any further information relating to it would be detrimental to the national security.

(Contracting Officer)